



Signed: July 12, 2010

Leslie Tchaikovsky

LESLIE TCHAIKOVSKY
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re No. 09-49043 T
Chapter 11
CHRISTIE L. HOLLOWELL,
Debtor-in-Possession.

MEMORANDUM AND ORDER RE MOTION FOR REVIEW OF FEES

The Office of the United States Trustee (the "UST") filed a motion for the review of the attorneys' fees charged to the above-captioned debtor (the "Debtor") by Mitchell L. Abdallah ("Abdallah") pursuant to 11 U.S.C. § 329(b). Abdallah has already repaid the Debtor \$3,911 received for representing the Debtor in the chapter 11 bankruptcy case. The UST asks the Court to consider whether Abdallah should also be required to repay the \$4,000 received from the Debtor for loan modification and other services. Abdallah failed to disclose the receipt of these fees in the Statement of Financial Affairs or in his employment application. Two thousand dollars of this amount were obtained by Abdallah post-petition without the Court's permission.

1 The Court has reviewed Abdallah's billing statement. It appears
2 that the only loan modification work done was by a biller whose
3 hourly rate was \$75. Based on the billing rates specified in
4 Abdallah's employment application, the Court infers that this work
5 was done by a secretary. The work performed includes lengthy
6 communications with the lender. The Court does not believe that the
7 Debtor hired Abdallah so that loan modification efforts could be made
8 by an attorney's secretary. The Debtor could have acted as
9 effectively on her own behalf free of charge.

10 From the billing statement, it appears that the total charges
11 for the work done by the secretary were only \$365. Nevertheless,
12 when a loan modification was not obtained, Abdallah agreed to
13 transfer only \$2,500 of the remaining \$3,635 to an adversary
14 proceeding asserting TILA and other claims against the secured
15 creditor. The billing statement suggests that \$4,103 worth of
16 attorney and paralegal services were provided in connection with the
17 adversary proceeding, giving rise to fees totaling \$4,103. However,
18 the value of those services is questionable.

19 Most of the complaint is boilerplate, reciting the well
20 publicized abuses that have occurred in the home mortgage industry
21 recently, without specific reference to the Debtor's transaction.
22 Some of the facts alleged are clearly inaccurate. The Debtor is a
23 female. The complaint refers to the Debtor several times with a
24 masculine pronoun. The complaint alleges that the Debtor obtained
25 the loan to build her "dream house." At a status conference in the
26 adversary proceeding conducted on July 8, 2010, the Court asked the

1 Debtor whether the residence serving as collateral for the secured
2 claim was new construction. She said that it was not.

3 Given Abdallah's failure to disclose the fees received, his
4 violation of bankruptcy law in obtaining fees post-petition without
5 Court permission, and the poor quality of his work, the Court
6 concludes that it is inappropriate to permit him to retain any
7 portion of the \$4,000 received from the Debtor. Consequently,
8 Abdallah will be ordered to repay this amount to the Debtor within
9 30 days from the date of this order.

10 Based on the foregoing, good cause appearing therefor, it is
11 SO ORDERED.

12 END OF DOCUMENT
13
14
15
16
17
18
19
20
21
22
23
24
25
26

COURT SERVICE LIST

Christie L. Hollowell
11925 Skyline Blvd.
Oakland, CA 94619

Mitchell L. Abdallah
Abdallah Law Group
980 9th St. 16th Fl.
Sacramento, CA 95814